

DIVISION OF FINANCIAL INSTITUTIONS
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAII

IN THE MATTER OF THE)	
APPLICATION OF)	
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)	
Ohana Pacific Bank)	DECISION AND ORDER
(Applicant in Organization))	REGARDING CHARTER
)	APPLICATION OF
)	OHANA PACIFIC BANK
For Approval of a Charter to Engage in)	(APPLICANT IN
the Business of a Hawaii Financial)	ORGANIZATION)
Institution as a Bank, Pursuant to)	
Chapter 412, Hawaii Revised Statutes)	
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DECISION AND ORDER REGARDING
CHARTER APPLICATION OF
OHANA PACIFIC BANK
(APPLICANT IN ORGANIZATION)

DIVISION OF FINANCIAL INSTITUTIONS
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAII
335 Merchant Street, Room 221
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DECISION AND ORDER REGARDING
CHARTER APPLICATION OF
OHANA PACIFIC BANK
(APPLICANT IN ORGANIZATION)

To: Mr. David K. Rair
Attorney at Law
Chun Rair & Yoshimoto LLP
841 Bishop Street, Suite 400
Honolulu, Hawaii 96813

Mr. Woon Seok Hyun
Director and Chief Executive Officer
Ohana Pacific Bank (In Organization)
1357 Kapiolani Boulevard, Suite 102
Honolulu, Hawaii 96814

Pursuant to the authority granted to the Commissioner of Financial Institutions (the "Commissioner"), Division of Financial Institutions, Department of Commerce and Consumer Affairs, State of Hawaii, in Chapter 412, Hawaii Revised Statutes ("HRS"), and all applicable Hawaii Administrative Rules ("HAR"), the following findings of fact and conclusions of law are hereby entered:

FINDINGS OF FACT

1. The applicant in this matter is Ohana Pacific Bank (Applicant in Organization), (hereinafter referred to as "Ohana Pacific" or "Applicant"). Ohana Pacific, through its attorney, Mr. David Rair of Chun Rair & Yoshimoto LLP, has applied for approval of a charter to engage in the business of a Hawaii financial institution as a bank.

2. Ohana Pacific initially submitted an application dated July 12, 2005 to the Commissioner for preliminary approval to organize a bank in accordance with HRS Section 412:3-201. Having concluded that (a) the proposed activities of Applicant will be in compliance with the requirements of HRS Chapter 412 and all other applicable laws, rules, and orders; (b) the proposed operations of Applicant will be conducted in a safe and sound manner; (c) the qualifications, character, financial responsibility, experience, and general fitness of the proposed executive officers and directors of Applicant are such as will warrant public confidence and a belief that the business of the financial institution will be honestly and efficiently conducted; and (d) sufficient facts exist showing the necessity or the justification for the organization of the proposed bank and there is a reasonable assurance of sufficient volume of business so opening and maintaining the proposed financial institution will not jeopardize the solvency of Applicant, the application for preliminary approval to organize a bank was approved by the Commissioner in a Decision and Order dated December 13, 2005. Applicant has since taken all steps necessary to complete organization and file an application for a charter.

3. Ohana Pacific subsequently submitted an application dated December 16, 2005 to the Commissioner for approval of its proposed Articles of Incorporation and Bylaws in accordance with HRS Section 412:3-208. Having determined that the Articles of Incorporation comply in all respects with the Business Corporation Act, HRS Chapter 414, the Commissioner issued a letter of no objection to the Articles of Incorporation and the Bylaws dated December 21, 2005. Subsequently, Applicant submitted two letters dated January 4, 2006 and January 11, 2006, amending the Bylaws. A second letter of no objection to Applicant's letter dated January 11, 2006 for the amended Bylaws was issued on January 25, 2006. Applicant delivered the Articles of Incorporation to the Director of the Department of Commerce and Consumer Affairs for filing on January 27, 2006.

4. Ohana Pacific originally submitted an application dated December 23, 2005 to the Commissioner for approval of its proposed capital stock solicitation in accordance with HRS Section 412:3-210. Subsequently, Applicant filed an amended application that was received by the Division of Financial Institutions on February 21, 2006 and February 22, 2006 and filed supplemental information dated March 10, 2006 and March 15, 2006. Having concluded that (a) the application is complete and (b) the solicitation will not affect the safety or the soundness of Applicant or harm the public

interest, the application for approval of the capital stock solicitation was approved by the Commissioner in a letter dated March 17, 2006.

5. The proposed capital plan for Ohana Pacific provided for initial capital in the minimum amount of \$12,000,000, a sum exceeding the minimum statutory requirement of \$5,000,000 in HRS Section 412:3-209. Furthermore, the pro forma financial statements for the first three years of operations indicated that Applicant will continue to have capital in excess of \$5,000,000.

6. Ohana Pacific terminated its capital stock solicitation on May 2, 2006, when it sold 1,400,000 shares of its common stock at \$10.00 per share and the proceeds of \$14,000,000 were paid in and deposited in an escrow account with Pacific Coast Bankers' Bank in accordance with the Impound Account Agreement and under terms satisfactory to the Commissioner.

7. Ohana Pacific submitted an application dated July 12, 2005 to the Federal Deposit Insurance Corporation (the "FDIC") for approval of federal deposit insurance in accordance with the Federal Deposit Insurance Act. On December 12, 2005, the FDIC issued an Order approving Ohana Pacific's application for federal deposit insurance.

8. Ohana Pacific submitted an application dated May 5, 2006 to the Commissioner for approval of a charter to engage in the business of a bank in accordance with HRS Section 412:3-212. Subsequently, Applicant submitted supplemental information dated May 8, 2006 and May 17, 2006 (collectively referred to as the "Charter Application").

9. Ohana Pacific requested confidentiality on certain portions of the Charter Application as provided by HRS Chapter 92F, HRS Section 412:2-104(a), and HAR Sections 16-25-27(b) and 16-25-28. The Commissioner approved this request.

10. There have been no adverse material changes in the organizers of Ohana Pacific, the Applicant in Organization, the business plan, and the financial condition since the issuance of the preliminary approval to organize on December 13, 2005.

11. Ohana Pacific has represented that no shareholder owned more than 10% of the common stock at the conclusion of the capital stock solicitation.

12. Ohana Pacific submitted evidence that it has obtained the required fidelity bonds and other insurance of the types and amounts represented in its application for preliminary approval to organize. All bonds and other insurance, with the exception of federal deposit insurance, are all currently in effect.

CONCLUSIONS OF LAW

Upon review and consideration of the Charter Application, and its supporting and incorporating documents, it is concluded that:

1. Pursuant to HRS Chapter 412, Code of Financial Institutions, the Commissioner has jurisdiction over this Charter Application.
2. The Charter Application submitted to the Commissioner is in a form prescribed by or acceptable to the Commissioner and includes, together with supporting and incorporating documents, information required by the Commissioner to make the findings of fact and the conclusions of law set forth herein. Portions of the Charter Application have been deemed confidential by the Commissioner as it contains information that may be withheld from disclosure under HRS Chapter 92F, HRS Section 412:2-104(a), and HAR Sections 16-25-27(b) and 16-25-28.
3. Sufficient information has been provided to enable the Commissioner to find the necessary facts and reach the required conclusions needed before issuing a decision on this Charter Application.
4. Upon consideration and review of the Charter Application, and its supporting and incorporating documents, it is concluded that Ohana Pacific has fulfilled all the requirements of law and has met the grounds for preliminary approval.
5. Upon consideration and review of the Charter Application, and its supporting and incorporating documents, it is also concluded that Ohana Pacific is qualified to engage in the business of a financial institution as a bank.
6. Any conclusion of law that is deemed to be a finding of fact shall be construed to be a finding of fact.

ORDER

NOW, THEREFORE, GOOD CAUSE APPEARING, THE FOLLOWING DECISION AND ORDER IS HEREBY ENTERED:

Pursuant to HRS Section 412:3-212, the Charter Application of Ohana Pacific Bank (Applicant in Organization) for approval of a charter to engage in the business of a Hawaii financial institution as a bank, in accordance with the provisions of HRS Chapter 412, Article 3, is hereby approved. This approval is subject to the following conditions:

1. In accordance with HRS Section 412:3-504, Ohana Pacific Bank (Applicant in Organization) shall complete the opening of the principal office within nine months after the opening date stated in the Charter Application. If it appears that the

opening will not occur within nine months of its stated opening date, Ohana Pacific Bank (Applicant in Organization) may obtain from the Commissioner an extension of the time to open, which shall be reasonably granted for good cause. If an extension of time to open is not obtained in writing, the Commissioner may revoke the permission to open.

2. Ohana Pacific Bank (Applicant in Organization) shall provide prior written notification to the Commissioner of the planned opening date of the principal office.

3. No later than five days after the opening of the principal office, Ohana Pacific Bank (Applicant in Organization) shall provide the Commissioner written notice of the date that the principal office opened for business and provide to the Commissioner:

- a. Written notice that it continues to meet the full amount of the initial minimum capital \$12,000,000.00 in money, pursuant to the Decision and Order dated December 13, 2005 and the approval letter dated March 17, 2006. Thereafter, the paid-in capital and surplus shall at all times be an amount not less than \$5,000,000.00, pursuant to HRS Section 412:3-209(a).
- b. Evidence that the federal deposit insurance required in the Decision and Order dated December 13, 2005 was in effect as of the opening date of the principal office.
- c. The name and the contact information of the individual responsible for addressing all inquiries regarding the conduct of Ohana Pacific Bank (In Organization).

4. Ohana Pacific Bank (Applicant in Organization) shall operate within the parameters of the business plan that was submitted as part of the application for preliminary approval to organize. Commencing on the date hereof and during the first three years of operations, Ohana Pacific Bank (Applicant in Organization) shall provide in writing to the Commissioner, for prior review and approval and at least 60 days before implementation, the following:

- a. Any proposed major deviation or material change from this business plan.
- b. Any proposed change in the executive officers or the directors.
- c. Any proposed change in the ownership of the capital stock that will result in any shareholder owning or having the power to vote 10% or more of the outstanding capital stock of Ohana Pacific Bank (Applicant in Organization).

5. Commencing on the date hereof and during the first three years of operations, Ohana Pacific Bank (Applicant in Organization) shall provide in writing to the Commissioner, for prior review and approval and at least 60 days before implementation, the following:

- a. Any stock option plan that may be adopted by the Board of Directors.
- b. Any issuance of authorized capital stock that may be authorized by the Board of Directors.
- c. Any declaration or payment of dividends or making of other capital distributions to the shareholders that may be authorized by the Board of Directors.

6. Until all of the conditions of approval are satisfied and Ohana Pacific Bank (Applicant in Organization) is opened, the Commissioner shall have the right to alter, suspend, or withdraw this Order should any interim development warrant such action.

This Decision and Order shall be voidable in the sole discretion of the Commissioner if material conditions set forth in this Decision and Order are not fulfilled, if material representations made in support of the Charter Application are not complied with or should be determined to be untrue, or if material facts have been omitted from the Charter Application. This Order does not waive or limit any other remedy available to the Commissioner for violation of law.

DATED AND ENTERED: May 24, 2006, in HONOLULU, HAWAII.

/s/ D. B. GRIFFIN III
D. B. GRIFFIN III
COMMISSIONER OF FINANCIAL INSTITUTIONS
DIVISION OF FINANCIAL INSTITUTIONS
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAII

[IN THE MATTER OF THE APPLICATION OF OHANA PACIFIC BANK (APPLICANT IN ORGANIZATION) FOR APPROVAL OF A CHARTER TO ENGAGE IN THE BUSINESS OF A HAWAII FINANCIAL INSTITUTION AS A BANK, PURSUANT TO CHAPTER 412, HAWAII REVISED STATUTES.]